PRESS RELEASE

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Statement by California HHS Secretary Kim Belshe after Today's Legislative Briefing on the Governor's Comprehensive Health Care Reform

California Health and Human Services Agency Secretary Kim Belshe issued the following statement after today's Legislative briefing on the Governor's comprehensive health care reform proposal:

"California's health care system is broken. Six and a half million Californians are uninsured, health care costs are increasing at twice the rate of inflation and those with health insurance are paying a 'hidden tax' to subsidize the uninsured.

"Another segment of the population we must care for are what insurance experts call 'the worried well' - or those who worry about not being able to afford rising premiums or losing coverage. As part of this year's health care reform package, we must address their needs and ensure both the affordability and availability of insurance.

"A study by Dr. Jon Gruber was released today that shows that the Governor's health care proposal will provide health insurance for an additional 4.1 million Californians out of the 4.8 million uninsured Californians at any given time, and that the reforms will have little impact on how many employers cover their workers.

"Today's legislative briefing is a good sign that Sacramento is focusing on comprehensive health care reform based on the principle of shared responsibility. Governor Schwarzenegger will continue to lead efforts amongst all the different parties so we can come to a bipartisan agreement that will make coverage more affordable and ensure universal coverage to the people of California."

A copy of Dr. Gruber's in-depth analysis of the Governor's health care reforms is available at: <u>Gruber_Modeling_Health_Care_Reform_In_California_final_study_020207.pdf</u>. A chart accompanying the analysis is available at: <u>Gruber_Study_Tables_020207.pdf</u>

For further information about the Gruber Report, please contact Steven Birenbaum with the California HealthCare Foundation at 510-587-3157 or Jonathan Gruber, Ph.D., MIT, at 617-253-8892 or jgruber@economics.mit.edu.